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April 20, 2016

The Honorable Ed. Hernandez, O.D., Chair
Senate Health Committee
State Capitol, Room 2191
Sacramento, CA 95814

RE: SB 815 (Hernandez/De Leon), as amended April 11, 2016
Scheduled for hearing in the Senate Health Committee on April 27, 2016
Position: SUPPORT

Dear Chair Hernandez;

The University of California (UC) is pleased to support SB 815 which would implement California's five-year \$6.2 billion 1115 Medicaid Waiver, titled Medi-Cal 2010. The renewed waiver includes critical programs for Medi-Cal beneficiaries and uninsured patients in California, and will enable the University Health System as part of the public hospital health care system to more effectively provide high quality, accessible care to the Medi-Cal patients we serve.

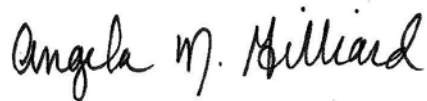
On December 30, 2015, the federal Centers for Medicare and Medicaid Services (CMS) approved Medi-Cal 2020, a five-year 1115 Medicaid waiver that offers California an historic opportunity to lead the nation in meeting the challenge and promise of health care reform, by testing payment and delivery system reforms that can help the state and federal government achieve success. Through the Affordable Care Act, millions of Californians have obtained coverage through Covered California and an expansion of Medi-Cal. Although health care coverage is a critical, foundational element of reform, we know that coverage alone neither ensures access nor improves health. Medi-Cal 2020 will leverage California's coverage expansion with significant payment reforms and delivery system improvements for public health care systems, advancing our state's efforts to align financing with improvements in health outcomes for Medi-Cal beneficiaries.

The UC owns and operates five academic medical centers in San Francisco, Sacramento, Irvine, Los Angeles and San Diego. UC's participation in the waiver enables the five UC medical centers to provide health care to the Medi-Cal and uninsured populations in the state. The waiver also enables UC to participate in the Public Hospitals Redesign and Incentives in Medi-Cal (PRIME) program, a vital component of the waiver. PRIME is an ambitious pay-for-performance delivery system improvement program that builds on our prior efforts in the DSRIP (Delivery System Reform Incentive Program) program, a part of the 2010 Medi-Cal waiver. The DSRIP included a number of important delivery system transformation efforts to expand primary care and specialty care capacity, improve chronic disease management and reduce hospital based infections. PRIME is an ambitious program that builds on the DSRIP work at the University, requiring continued year-over-year improvement in every area of the delivery system, with a heavy emphasis on health outcomes.

The University's five academic medical centers are part of the state's public hospital safety net for millions of Californians. We strongly support SB 815. We would be pleased to discuss our position with you and answer any questions you may have. Please contact me with any questions.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Angela M. Gilliard". The signature is written in a cursive, flowing style.

Angela M. Gilliard, JD
Legislative Director

cc: Senator Ed Hernandez, O.D.
Vice Chair and Members, Senate Health Committee
President Janet Napolitano
Executive Vice President & CFO Nathan Brostrom
Executive Vice President John Stobo
Senior Vice President Nelson Peacock
Associate Vice President and Director Steve Juarez

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